

THE MBE NEWS OBSERVER

The VIRGINIA DEPARTMENT OF MINORITY
BUSINESS ENTERPRISE (VDMBE)

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Pictured: City of Guanajuato, Mexico

VDMBE CHIEF DEPUTY DIRECTOR REPORTS SUCCESSFUL TRADE MISSION TO MEXICO

See Back Page Story: INTERNATIONAL NEWS

VDMBE ANNOUNCES HISTORIC PARTNERSHIP WITH USDA



Pictured: Allegra
McCullough, Director of
the VDMBE, and Lloyd
Jones, former State
Director for USDA's Rural
Development Office,
signing partnership
agreement.

On May 2, 2001, Allegra

McCullough, Director of the Virginia Department of Minority Business Enterprise (VDMBE) and Lloyd Jones, former State Director of USDA's Rural Development office signed a Memorandum of Understanding (MOU), forming a historic pact which promises to boost financial opportunities for business development in rural Virginia. Representing Governor Gilmore, Deputy Secretary of Commerce and Trade, Josh Lief, joined McCullough and VDMBE Deputy Director, Frank Ramos, in making the announcement. "VDMBE's agreement with the USDA is in full accord with Governor Gilmore's revised comprehensive strategic plan for economic development in Virginia," Lief said "This landmark agreement will provide VDMBE a great opportunity to assist disadvantaged firms in qualifying for *federal* help with their business endeavors." Joseph W. Newbill, the current State Director for USDA's Rural Development office, fully supports the partnership and says his agency has 22 offices across the State, and an \$18 million annual budget for making business and industry loans in Virginia.

General Assembly had awarded VDMBE a \$300,000 fund as loan guarantee capital for disadvantaged businesses in Virginia; the department has made five loans and disbursed all but \$190,000 of the fund. "With the pool of money available at USDA," said McCullough, "and our momentous partnership with the federal agency, VDMBE will now be able to leverage its [financial] lending services to minority and disadvantaged businesses, particularly in the economically stressed areas in and around Southwest Virginia."

VDMBE and USDA are currently developing a Strategic Plan for implementing the MOU, and expect to hold their first joint workshop for disadvantaged businesses in September 2001. For a calendar reminder on the upcoming VDMBE/ USDA workshop, e-mail: dmbe@dmbe.state.va.us For information about USDA's RBS programs, visit website address www.rurdev.usda.gov



Dear Friends:

Approximately 30 years ago the term affirmative action was coined in America. A slow, but determined change began that altered the education and business worlds, and the workplace, forever. A change that would seem, at times, to lack momentum, but nevertheless, broadened the perspectives and boundaries of the marketplace. A 30-year growth of the U.S. minority population and the global business community added varying dimensions to affirmative action – dimensions that embraced and valued cultural differences.

Diversity, a natural descendent or off spring of affirmative action often confuses African Americans. Some view diversity as "diluting the pot", or an effort or movement designed to dismantle affirmative action. It does neither. Diversity is a process - not a program- that encourages a change in values. It creates an environment that promotes tolerance and understanding of cultural and ethnic differences. It focuses on creating cohesive communities and workforces - on recognizing and valuing cultural and ethnic differences instead of merely tolerating numbers.

This process, *diversity*, creates cultural consideration for the right to be different. For the right to be African -American, Asian, Hispanic or Native American, or disabled, or female, or elderly and feel comfortable incorporating those differences into developing strategy, problem solving, and enriching the infrastructure in business and education. Each of these aspects provides a slightly different dimension to our world, making it richer and broadening the base of talent needed to

stimulate market growth and economic development.

Changing demographics affect the business bottom line. Diverse populations create marketing opportunities within the individual communities and the business climate in general. Finally recognizing that their growth is largely dependent on how well they cater to the increasing demands for quality services from minority communities, corporations have begun altering their business practices. In addition, the growing economic clout of ethnic communities dictates the need for increased representation in advertising dollars and in hiring. Advertising campaigns designed to target ethnic communities must now be sensitive to word usage, colors, logos, styles, and models as never before. Matching the demographics of taste to that of a marketing concept is now, more than ever, critical to long-term business success. Moreover, growing diverse communities stabilized by the growth of their own enterprises, create jobs and wealth within their own borders and contribute to the country's economic wellness.

The correlation between the growth of minority businesses and overall economic well being is undeniable. Affirming this correlation should be an integral component of every local and state government's mission, and the creation of an environment conducive to the development and promotion of minority business as a priority.

All the best to you!
Allegra F. McCullough,
Director

VDMBE CUSTOMER SERVICE SURVEY

VDMBE clients include minority, disadvantaged and women owned businesses (MBEs/DBEs/WBES),

Summer/Fall 2001

private sector companies, non-profit organizations, and local, state and federal government agencies. To assist us in improving services and developing programs and workshops, a Customer Service Survey was included in our previous MBE Newsletter and distributed to VDMBE clientele. The following is a synopsis of the responses we received.

Primary responses were received from MBEs/DBEs and government agencies.

Ratings: 73% Good to Excellent; 27% Fair to Poor

Concerns from MBEs/DBEs: access to capital; procurement and contract opportunities with more accountability for state agencies; partnering and joint-venturing opportunities; reciprocity with other established certification programs; more communication from VDMBE for start up businesses; workshops in marketing assistance; electronic notification of bids and RFPs

Concerns from Governments: more visibility/networking with MBEs/DBEs/WBES; more frequent updates and on-line availability of *VDMBE List of Certified Firms*

General Responses from Clients:
"You really care and it shows!"
K.W. from 5/15/2001 *Doing Business with Colleges & Universities Workshop* at VCU

"Such a horizon of knowledge."
A.F. from 5/15/2001 *Doing Business with Colleges & Universities Workshop* at VCU

"Daisy Williams was outstanding!" "This is an excellent source of information – much needed area to be demystified." P.K. and L.M. from *Public Procurement Forum 2000 Workshop* in Southwest VA

"Good job! ...I was very excited to see your team's passion for minority business issues." J.P. from the *Virginia Small Business Certification Training Workshop* at VDMBE Northern Virginia office/TECC in Arlington, Virginia

VDMBE OPENS TWO SATELLITE OFFICES

VDMBE—NORTHERN VIRGINIA

June 26th, 2001 marked the grand opening of VDMBE's northern Virginia office. The new satellite office is strategically located in the heart of the Route 244 Technology Corridor, at the Tech Entrepreneur Community Center (TECC) in Arlington, Virginia.

"The opening of this satellite office demonstrates this administration's commitment to promoting minority business opportunities throughout the Commonwealth," said Joshua Lief, Deputy Secretary of Commerce and Trade, who represented Governor Gilmore at the grand opening. Allegra McCullough, Director of VDMBE, said having an office in the TECC is a unique opportunity for the agency to serve as an anchor agency for this area's flourishing business community.



"I applaud VDMBE for this initiative," said, Vance Wilkins, Speaker of the House, at VDMBE's June 26th Open House. "And I look forward to hearing about the department's successes in working with minority businesses here in northern Virginia."

Frank Ramos, Chief Deputy Director of the VDMBE said he's appreciative of the assistance and support the department has received from TECC's Chairman, Richard Litman, in making this expansion possible. Litman, TECC's Chair, says the Center offers a nurturing environment for emerging technology companies – especially those owned by women and minority entrepreneurs. Eager to get to work in the northern Virginia area, Ramos has already coordinated the first "Virginia Minority Certification Application Training Course" at the TECC, which took place on June 22nd, 2001. Ms. McCullough and Mr. Ramos said they plan to complement the department's programs in the northern Virginia area by working jointly with Arlington County local governments and organizations.

VDMBE—SOUTHSIDE VIRGINIA

Coming to the brand-new Dan River Business Development Center (DRBDC) located in Ringgold, Virginia, is VDMBE's southside Virginia office. In addition to other planned events, training classes, peer-to-peer dialog sessions and workshops will be offered and presented at *VDMBE-Southside*. The DRBDC, a joint project between Pittsylvania County and the City of Danville is a business incubator providing business counseling, assistance and training to existing and start-

up businesses. DRBDC is recruiting for a Financial Project Manager. If interested, call (804) 793-9108.



VDMBE FORMS PARTNERSHIP WITH THE DAN RIVER BUSINESS DEVELOPMENT CENTER

Pictured from left: Dan Funkhouser, Director of Small Business Development Center/Danville; Jacquelyn Daniel, Marketing Manager/VDMBE; William Pritchett, Pittsylvania County Board of Supervisors; John Hamlin, Mayor of City of Danville; Allegra McCullough, Director of VDMBE; Linda Green, Dan River Business Development Center/Board of Directors; Sherman Saunders, Exec. Director of Pittsylvania Community Action, Inc.

From its Southside Virginia office, DMBE plans to work closely with the United States Department of Agriculture, the Pittsylvania County Community Action, Inc, and various banking institutions in the Danville area to provide access to capital resources, loan opportunities and other financial incentives to disadvantaged businesses.

In an official opening event scheduled for September 19th, 2001, Allegra McCullough and staff look forward to celebrating the advent of *VDMBE-Southside* with area businesses and organizations.

VDMBE PROFESSIONAL SERVICES

For information about VDMBE's **Certification Program**, e-mail: aharris@dmbe.state.va.us.

For information about VDMBE's **Outreach Programs**, e-mail: dwilliams@dmbe.state.va.us; to request information about the agency's List of Certified Firms and other publications, e-mail: gedwards@dmbe.state.va.us.

For information about **VDMBE's Highway and Public Construction** services, e-mail: nmcdaniel@dmbe.state.va.us.

Providing Access to Capital for Entrepreneurs (P.A.C.E.) is VDMBE's newest program. This program provides access to capital for Virginia businesses by encouraging lenders to make loans to economically disadvantaged businesses. For more information about P.A.C.E., e-mail: eriley@dmbe.state.va.us

CONGRATULATIONS to Mirror Enterprises, Inc.!

Mirror Enterprise, a Richmond, Virginia based company specializing in human resource and personnel training, proudly announces their acceptance into the SBA 8(a) 9-year certification program. "It's been a long haul, but well worth it," said Kim Walton, company spokesperson for Mirror Enterprises. "And we especially want to thank VDMBE for assisting us in preparing our 8(a) certification." Mirror Enterprises is also certified with VDMBE.

MINORITY BUSINESS PROFILES

MBE Profile on REMSA, INC -- Making an Environmental Difference



REMSA, Inc. may very well be one of the most prolific *disadvantaged*, woman-owned firms currently providing cutting-edge environmental engineering services in Virginia. Based in Newport News, and certified with the VDMBE for more than three years, REMSA, Inc. is one of a handful of woman-owned Virginia companies that are certified GSA/FSS contractors.

The company has been in business for over 15 years and provides a variety of technical and professional services to government and commercial clients nationwide; services include: environmental consulting, information technology and systems engineering support, facilities management, training and research and development. Assisted by a competent staff of project managers, engineers, scientists, archaeologists, researchers, analysts and computer specialists, REMSA's president, Rosetta Billups, says her company is committed to providing customers with effective solutions at competitive rates. One environmental project the company is currently working on involves ensuring the protection of Virginia Beach's marine life by monitoring commercial vessels using the oceanfront.

For their diligent environmental work on Virginia's waterways, VDMBE is proud to bestow the department's "thumb's up" award to REMSA, Inc. – KEEP UP THE EXCELLENT WORK!



Profile on VDMBE Client Advocate: "COLONEL" REMUS RHODES:

A 22-year, retired Lieutenant Colonel, Remus C. Rhodes, III, has remained just as diligent during his second career stint. Employed with the Department of Minority Business

Enterprise since 1985, Mr. Rhodes -- sometimes referred to as *the colonel* because of his no-nonsense approach -- has been "holding up" the flag on behalf of minority businesses for nearly sixteen years.

The following is a close-up on one of VDMBE's most dedicated, advocates for minority businesses -- **Lt. Colonel Remus Rhodes, III.**

Hometown: Tuscaloosa, Alabama.
Current residence: Hampton Roads area for past 22 years.

Family: Wife, Nancy Rhodes; one son and one daughter, both adults.

Current Occupation: Transportation Construction/Project Engineer for the Department of Minority Business Enterprise.

What's the first thing you do when working with a minority or disadvantaged? Before I assist any firm, I conduct a hands-on assessment of the company's strengths and weaknesses, focusing particularly on the company's objectives.

What would you like the public and private (majority) sectors to know most about minority, disadvantaged and women owned businesses? When being considered for contract opportunities, most of these businesses prefer to be thought of as a company that *happens to be* minority-owned, as opposed to a minority *who happens to own* a company.

What should minority, disadvantaged and women owned businesses consider when venturing to do business with the public and private (majority owned) sectors? To always have a viable tool which promotes their companies' capabilities; this can be in the form of presentation materials, or precise, outlined notes to refer to when explaining their services. And, most importantly, don't talk too much -- but be prepared to entertain in-depth questions if asked.

How can advocates for minority, disadvantaged and women owned businesses work on improving the overall image of doing business with these firms? I'd like to see

more networking sessions set up for public and private sector buying officials to meet and assess qualified minority firms.

What's your definition of a successful business? A company that stays in business for one year, I consider to be on their way to success. But a company in business for at least five years, I consider to be *extremely* successful.

What's your perfect work day like? When I get the opportunity to assist a client in putting together an estimate that wins a contract.



The "Colonel", Remus Rhodes (seated at left) hard at work.

What's a perfect evening like for you? Sitting on my deck at home and watching the ships and boats out sailing.

What's two of your major pet peeves? People who make excuses and people who lie.

What person influenced you the most? My late father, Remus Rhodes, Jr.

What's your favorite book? I attended Tuskegee [Institute] University, and was greatly inspired when I read *Up from Slavery*, by Booker T. Washington.

Once you retire from VDMBE, what will be your next endeavor? To become a professional Parliamentarian.

Comment from Rosetta Billups, president of **REMSA, Inc.** :

"Mr. Rhodes has been extremely supportive and responsive whenever we call him."

Comment from VDMBE's director, Allegra McCullough: **"I'm proud to work with him because he has a reputation for always following through on behalf of our clients."**

Technology News Around Virginia

EMERGING BUSINESS FORUM A SUCCESS!

On July 11 – 13, 2001, the scenic Westfields Marriott Conference Center in Fairfax County, Virginia was host to the first EMERGING BUSINESS FORUM (EBF). The EBF – organized for the purpose of developing and enhancing business opportunities for minority-owned technology companies – brought together more than 300 entrepreneurs, venture capitalists, technology executives, government and business buyers, and representatives of financial institutions from throughout Virginia, Maryland and Washington, D.C. A keynote address, via video, from Governor Jim Gilmore stated that more technology companies are concentrated in Virginia than anywhere else in America, and developing strategies for the success of these companies is essential.

Indeed, northern Virginia appears to be a haven for successful minority businesses providing technology related services; according to *Black Enterprise*, eight technology firms based in Fairfax County are on the magazine's latest list of the 100 largest African American-owned companies, and *Hispanic Business* magazine found that five of the 50 largest Hispanic-owned technology companies are based in northern Virginia.

Entrepreneurs attending EBF 2001 were able to market their services and products, as well as joint venture on future business opportunities. John Townes, Director of EBF, declared the event a *major success*. "EBF planners are eagerly looking forward to next year's Forum," Townes said. "But this event was truly enhanced by the gracious EBF sponsors, who we hope will still be with us for EBF 2002."

Major sponsors for the EBF were: *Black Enterprise Magazine*; the Commonwealth of Virginia; Fairfax County Economic Development Authority, KPMG, McGuire Woods, LLP; Prince George's County Economic Development Corporation and Maryland Department of Business and Economic Development. Technology service providers interested in participating in next year's Forum may call (703) 790-0304 or e-mail: johntownes@cs.com. For a complete update on EBF 2001, visit: www.emergingbusinessforum.org.



Pictured are sponsors and representatives for EBF 2001. Back row: Steve Mandell, Pepper Hamilton, LLP; Jim Dyke, McGuire Woods LLP; Terrence Garrett, President/SUPRA, Inc.; Stephen Peeler, seeUthere, Inc.; Dr. Jerry Gordon, Fairfax County Economic Dev't. Auth. and secretary/treasurer EBF; Muzaffar Jamil Shaikh, Maryland Dept. of Business & Econ. Dev't.. Second row: Allegra McCullough, VDMBE. Seated: Earl Graves, *Black Enterprise*; Sudhakar Shenoy, Chairman/IMC, Inc.

BRIDGING THE GAP OF ADVOCACY FOR MINORITY BUSINESSES

The **MBL TECHNOLOGY RESOURCE CENTER** is the Metropolitan Business League's latest approach to bridging the gap of advocacy for minorities by working on the "digital divide". Linda Sharpe Anderson, president of the MBL, says the Technology Resource Center will address the 'digital divide' problem through the following services: computer and internet access for the under served community; training and development classes in word processing and internet technology; broadband network access for real-time audio and video teleconferencing; conference rooms for meetings, networking and self-help initiatives; and, a library of computer, e-commerce and information technology resources.

"The Technology Resource Center is a major component of MBL's vision to help minority businesses successfully compete in today's technology environment," Ms. Sharpe-Anderson said.

MBL's Technology Resource Center has many opportunities for corporate, organizational and partnership support. For MBL membership information, or to inquire about being a sponsor for the Technology Resource Center, call (804) 649-7473 or visit: www.thembl.com.

SBIRs: MEDICAL/TECHNOLOGY GRANT OPPORTUNITIES

Is your business a small, high technology firm (with up to 500 employees), in collaboration with research scientists from a university, federally funded R&D center, or a non-profit research institution and interested in source funding for high risk, innovative ideas in defense, health, energy, transportation, commerce, agriculture, environment, basic science, or space-related research and technology? If so, then you should put the upcoming Small Business Innovative Research/Small Business Technology Transfer/Advanced Technology Program (SBIR/STTR/ ATP) conference on R&D funding opportunities on their calendar. Workshop information:

**Small Business Innovation
R&D Workshop**

**September 12th and 13th, 2001
The Boar's Head Inn, Rout 250W
Charlottesville, Virginia**

Potential benefits to small firms from SBIR/STTR include, but are not limited to: full funding of up to \$100,000 for Phase I SBIR feasibility research efforts of six months and up to \$750,000 and two years for Phase II; commercial rights to patentable research results; increased potential for research collaboration with universities and large firms; ATP funding opportunities for critical technology for small, medium and large high-tech firms. Conference agenda, costs and other information are provided at: www.sotech.state.va.us/ost/events.htm or contact Ms K. C. Das, (804) 371-5599 or e-mail: kcdas@dit.state.va.us

VDMBE Firms Go On-line with VIRGINIA PROCUREMENT PIPELINE:



As of June 2001, products and services provided by minority, disadvantaged and women-owned firms certified with the VDMBE went on-line through the **Virginia Procurement Pipeline (VPP)**. VPP is an on-line database that provides a marketing resource for Virginia businesses and a procurement resource for businesses anywhere. The project is state funded, and there **is no fee to search the database**. Purchasing professionals throughout Virginia, public and private sector, use the VPP database regularly to find new sources of supply.

A key focus of the VPP is to support small businesses within the Commonwealth of Virginia. To that end, several "equal opportunity factors" (minority owned, woman owned, small business) are included as descriptive fields for businesses registered in the database.

You can visit the Virginia Procurement Pipeline at www.virginiabusiness.org and click onto "Virginia Minority-owned Search" to access VDMBE certified firms. If you are a disadvantaged business owner and would like to certify your business with VDMBE, e-mail: aharris@dmbe.state.va.us or dmbe@dmbe.state.va.us

Completing a Winning Loan Application

Tips from VDMBE's Providing Access to Capital for Entrepreneurs (P.A.C.E.) Program

One of the most common oversights an applicant can have when applying for business financial assistance is not being prepared to produce *any*, or *all*, material necessary for a loan officer to make an informed decision about a loan request. In some cases, applicants may even express dismay when asked to produce pertinent documents such as financial statements, tax returns, and a professional business plan. The following is a list of suggestions potential loan applicants may want to consider when applying for business financing.

1. **Lending institutions cannot always work within the time frames of the client.** Those clients caught in last minute, desperate situations should understand that decisions, even when made in a timely manner, oftentimes cannot be expedited because the client is experiencing a "financial emergency".
2. **Try to establish the habit of keeping accurate, up-to-date financial information.** To that end, have your business assets and liabilities properly evaluated long before you need a loan.
3. **Examine a copy of your credit report from one of the three major credit bureaus (preferably all three).** Always be prepared to explain extraordinary circumstances that could have contributed to delinquencies or judgments.
4. **If there are areas of a banking application that are ambiguous or confusing, do not hesitate to call on the loan officer for assistance.** Having the application accurate and complete upon receipt is important.
5. **Assess the needs of your business as precisely as possible when determining an amount to request.** The loan officer will be interested in knowing exactly how you intend to use the proceeds of the loan. (This information is usually documented on the application.)
6. **Be realistic. If your credit is extremely damaged, your collateral levels are low, or your business' profit margin is weak, then perhaps financing at this time is not an appropriate action.** Overhauling your business in terms of management – financially and administratively – may be in order.
7. **If your company's revenue performance has suffered for an extended period of time with weak profit margins, understand that possibilities for financing are there, but your chances are not as strong.**
8. **If you have been declined, make sure that you follow up with the loan officer to understand exactly what areas of your application were weak.** This information is important; for you should use it as a resource that may guide you in making changes or adjustments in your business that could make your next request for financing more viable.

If you are a disadvantaged business owner and have questions about the P.A.C.E. Program, e-mail jdaniel@dmbe.state.va.us or eriley@dmbe.state.va.us

NEWS FLASH VIRGINIA'S ENERGY CHOICE NEWS FLASH

Statewide retail choice for electricity will begin January 1, 2002, with most electric customers having the opportunity to choose a supplier by January 1, 2003. All Virginians must be given the opportunity to choose their energy supplier by January 1, 2004. Retail choice for natural gas is already underway with Virginia's largest gas utility giving a choice to all its customers as of January 1, 2002. For information about Virginia's progress toward developing a competitive energy supply market, please visit the SCC's "Virginia Energy Choice" consumer information website: www.yesvachoice.com, or call their toll-free number: **1-877-YES-2004**

MBE NATIONAL NEWS

PRESIDENT BUSH SUPPORTS SET-ASIDE PROGRAM FOR FEDERAL HIGHWAY CONTRACTS

The U.S. Department of Justice, with approval from President Bush, recently filed a brief with the U.S. Supreme Court supporting a US Department of Transportation (DOT) set-aside program for federal highway contracts. Solicitor General Theodore Olson, a Bush administration representative before the Supreme Court, wrote in his brief that the federal highway program is defensible because it is "designed to ensure that aid recipients only employ race-conscious remedies as a last resort. Moreover, the determining factor in who gets contracts under the program is *not the individual's race*, but their having suffered discrimination on account of race, ethnicity or cultural bias." A significant factor noted by Olson is that, the brief was filed despite the opposition of President Bush, Olson and Attorney



General John Ashcroft to affirmative action; Olson wrote that the Justice Department still opposes quotas and "will not authorize the use of set-asides except in the most egregious instances of otherwise irremediable discrimination."

In 1990, DOT's affirmative-action program became the subject of a controversial *land-marked*, reverse-discrimination lawsuit when Randy Pech, owner of Colorado-based Adarand Constructors, lost a lucrative job to a Hispanic-owned business. Now captioned under Adarand vs. Pena, the case – which is still making its way through the court systems – is scheduled to go before the U.S. Supreme court for the third time this October. Roger Clegg, counsel for the Center for Equal Opportunity (CEO) – a non-profit research and educational organization in Washington, DC – has filed a friend-of-the-court brief in support of Adarand Constructors.

CEO is also on the front lines of the battle over whether government affirmative-action policies will survive in the 21st century. "Racial and ethnic preferences are very unpopular with the vast majority of Americans, including people of color," Clegg said. According to a 1997 poll conducted by the nonprofit Joint Center for Political and Economic Research, that used the term "preferential treatment", found 80 percent of the general population was against racial preferences. But a recent poll conducted by Americans for a Fair Chance – a consortium of civil-rights organizations – found 61 percent of Whites, 63 percent of Latinos and 83 percent of African Americans supported affirmative action for women and people of color.

Follow-up on the Adarand vs. Pena case is forthcoming in the next edition of the *MBE News Observer*.

Article compiled from August edition of diversityinc.com

New York Engineering Firm Conducting MBE Briefing Session

Malcolm Pirnie – one of the largest firms in the U.S. focused on environmental issues – will be holding an October Briefing Session for MBE/DBE and women-owned firms specializing in environmental engineering and engineering consulting services. The purpose of the Briefing is to network and explore joint partnering contract opportunities with the Metropolitan Washington Airport Authority and the Department of Transportation. For more information, e-mail: dmbe@dmbe.state.va.us

US MINORITY BUSINESS AGENCY REPORTS CAUTIONARY GROWTH IN NUMBER OF MBEs

The US Department of Commerce's Minority Business Development Agency (MBDA) recently released the results on the bureau's 1997 Survey of Minority-owned Business Enterprises (SMOBE). **In addition to ranking Virginia number nine in the country for its number of minority-owned businesses**, the SMOBE report states that "minority businesses have dramatically increased their participation in the domestic free enterprise system, and are a critical component of the US business community. However, despite the dramatic increase in minority populations, entrepreneurial activity in the minority population continues to be far below the non-minority population. The report further states that "we need to bridge the *capital gap* that currently exists. For example, in 1997 minorities accounted for twenty-eight percent of the US population, but only three percent of the nation's gross business receipts."

A summary of SMOBE's results for MBE industry characteristics is:

- ◆ American Indians and Alaska Natives and Hispanic businesses participate in construction at a higher level than all US firms.
- ◆ African Americans participate in manufacturing at one-third the level of all US firms.
- ◆ Asian and Pacific Islanders participate in wholesale and retail trade at a higher level than all US firms
- ◆ All minority groups participate in the financial sector at lower levels relative to all US firms.

Ronald Langston, National Director of MBDA says: "The SMOBE report clearly shows that disparity is pronounced for minority businesses as a whole. America would benefit substantially from increased participation and activity by minority entrepreneurs."

For more information on MBDA's SMOBE report, visit website address: www.mbda.gov

MBE INSURANCE TIPS

- ✓ **Licensed**
- ✓ **Bonded**
- ✓ **Insured?**

These familiar words are often a standard part of most contractors' marketing strategy. It helps to build customer's confidence and bring credibility to your work product. For businesses in the service industry, when bidding on large proposals and RFP's, insurance certificates are required. A business can often times produce documents to verify that they are licensed and bonded, but are you really insured?

Charlene Reynolds, CEO of the Richmond-based company, Creative Insurance Concept says, equally important to consider, whether you are a large or small business, the risk factors remain the same, with small businesses being more vulnerable for liability loss. "Without the appropriate insurance coverage, one loss could put you out of business," says Ms. Reynolds. Ms. Reynolds' company is a certified insurance consulting and risk management firm specializing in insurance solutions to help businesses manage their risks more efficiently.

"The day to day risk that many businesses unknowingly face is with their own employees," says Reynolds. "If you have three or more employees, you are required to carry Workers Compensation Insurance to cover employees' injuries that occur during the scope of their employment. By modifying existing coverage – usually at a nominal cost – most businesses can greatly reduce their liability." According to Reynolds, all service type businesses need to know the difference between General Liability and Professional Liability Insurance. "Since risk management is an ongoing process," says Reynolds, "we encourage business owners to develop a relationship with a consultant firm to consult with on an *as needed* basis. It's better to know it and not need it, than to need it and not know it."

Ms. Reynolds' company also offers meeting room space. Contact her at (804) 674-8330.

VIRGINIA PARTNERS WITH MARTIN LUTHER KING CENTER

Last summer, the Honorable Claude Allen, Secretary of Health and Human Resources, and Allegra McCullough, Director, VDMBE, were appointed by Governor Jim Gilmore to represent the Commonwealth of Virginia at the



The MLK Center for Non-Violent Social Change in Atlanta, Georgia

In March 2001, **SUPRA Corporation** hosted a visit from the MLK Center operations staff to participate in Governor Gilmore's e-Communities Summit in Charlottesville, Virginia. During the summit, SUPRA provided the King Center with a review of business process techniques being applied by the Commonwealth's business community to close the "digital divide".

Martin Luther King, Jr. (MLK) Center for Non-violent Social Change's annual summit with the States. Virginia's participation at this August 2000 summit resulted in an invitation for Governor Gilmore and First Lady, Roxanne Gilmore, to attend the 21st Annual Salute to Greatness.

Having as their mission to advance Virginia as an official member of the MLK Center, Secretary Allen and Ms. McCullough brainstormed on a strategic plan to effectively spread the philosophy of Dr. King, and decided on a technology project that could reach into communities throughout the US. Subsequently, in January 2001, VDMBE put together a diverse delegation of Virginia technology companies to participate in the Salute to Greatness Banquet Dinner; the firms in attendance were: SUPRA Corporation of Falls Church, Virginia, DNDS.Com of Richmond, Virginia – both VDMBE certified firms – and Marconi Electronics of Pennsylvania.

SUPRA has now moved forward and become a collaborating partner with Virginia's Right Choices for Youth Initiative and the King Center to develop a message for "at risk" youth in Virginia. On the horizon for this summer, SUPRA plans to utilize its *SUPRASuite Solutions* (SM) process to develop an *avant-garde* web portal for the King Center. The initial product emerging from the portal will be a blended message that combines Dr. Martin Luther King's six principles of non-violence with Virginia's Right Choices For Youth risk avoidance behavioral choices. In November 2001, the Commonwealth of Virginia will host a visit from Ms. Coretta Scott King, during which time, SUPRA is planning a multi media presentation for educational broadcasting to youth across the Commonwealth of Virginia.

"I'm proud to see a Virginia MBE firm, such as SUPRA, helping in such a prolific manner," says Allegra McCullough. "Matrixing *Right Choices for Youth Initiative*'s preferred behaviors into Dr. King's non-violent principles will show young people the lasting effects of Dr. King's message. It's also a clear indication of this administrations' commitment to our children. And, with SUPRA's contributions, we're also investing in our future by enhancing the social education of Virginia's most *invest-worthy* population . . . our youth."

eVA: CHANGING THE WAY THE COMMONWEALTH DOES BUSINESS

An executive order issued on May 2000 by Governor Gilmore outlined an e-government initiative empowering state agencies to purchase, and conduct, primary transactions via Internet. Vendors wanting to do business with the Commonwealth of Virginia are encouraged to register with eVA by visiting website: www.eva.state.va.us For questions or more information on eVA, you may email: e-procurement-buyer@dgs.state.va.us

BUSINESS INCUBATORS:

Helping Start-ups and Small Businesses to Grow

Business incubators nurture young firms, helping them to survive and grow during the start-up period when they are most vulnerable. Incubators provide hands-on management assistance, access to financing and orchestrated exposure to critical business or technical support services. They also offer entrepreneurial firms shared office services, access to equipment, flexible leases and expandable space – all under one roof. An incubation program's



The Enterprise Center in Philadelphia recruits and nurtures entrepreneurs and grows start-up companies in urban communities

main goal is to produce successful graduates – businesses that are financially viable and freestanding when they leave the incubator, usually in two to three years. Thirty percent of incubator clients typically graduate each year. According to the *Impact of Incubator Investments* study by the US Department of Commerce (1997), 87% of all incubator graduates are still in business.

Like venture capitalists, incubators impose selection criteria upon prospective clients. Some accept a mix of industries, but others concentrate on industry niches. According to the National Business Incubation Association (NBIA) research, incubators nationally fall into the following classifications: 43% mixed use; 25% technology; 10% manufacturing; 9% *sectorally targeted; 6% Service; 7% other. (*Targeted incubators focus on assisting start-up companies from a specific industry, such as biomedical, wood products, foods, etc.)

The businesses being incubated today are at the forefront of developing new and innovative technologies – creating products and services that improve the quality of our lives – on a small scale today, and on a much grander scale tomorrow.

Reprinted courtesy of the National Business Incubation Association (NBIA), www.nbia.org.

VIRGINIA INCUBATOR PROGRAMS

At the direction of Governor Jim Gilmore and the Virginia General Assembly, the Virginia Department of Business Assistance developed the Virginia Small Business Incubator Program (VSBIP). VSBIP currently provides grants to local and regional non-profit groups for establishing and operating small business incubators; for fiscal year 2000, 81.7 million dollars were disbursed for small business incubators in Virginia.

In December 2000, Governor Gilmore announced that eleven Virginia recipients will receive grants totaling \$996,812 from VSBIP to create and strengthen small business incubators in Virginia.

“The Small Business Incubator Program is a proven method for helping start up businesses survive the early years,” said Barry E. DuVal, Secretary of Commerce and Trade, in referring to the VSBIP recipients. “I am pleased to see our enterprises becoming a driving force in the Commonwealth's economy.”

There are twenty public and non-profit incubators across the Commonwealth of Virginia. For additional information on these sites, please refer to the following list:

1. **Hampton Roads Technology Incubator-Hampton**
Phone: (757)865-2140

Summer/Fall 2001

2. **Incubator America-Arlington**
Phone: (703)228-3567
www.incubatoramerica.com
3. **Dan River Business Dev't. Center-Danville**
Phone: (804)793-9100
www.danriverincubator.com
4. **Giles Co. Business Incubator**
Phone: (540)726-3888
www.narrows.org
5. **Southside VA Comm. College Incubator at Ft. Pickett**
Phone: (804)292-1532
www.sv.cc.va.us/sbi
6. **New Century Venture Ctr.-Roanoke**
Phone: (540)344-6402
www.ncvc.com
7. **Pioneer Ctr. For Business Opportunity-Scott County**
Phone: (540)431-7226
www.pcbo.com
8. **Lynchburg Bus. Dev't. Ctr.**
Phone: (804)582-6100
www.lbdc.com
9. **Hampton Univ. Bus. Ctr.**
Phone: (757)722-9283
10. **Shenandoah Valley Bus. & Technology Incubator-Staunton**
Phone: (540)886-5023
www.newbusva.org
11. **AdvanTech at Maggie L. Walker Business & Technology Ctr.-Richmond**
Phone: (804)521-4001
www.advantechva.org
12. **New River Valley Competitiveness. Ctr.-Radford**
Phone: (540)633-6730
www.nrvdc.org/nrvcc
13. **Franklin Small Business Incubator**
Phone: (757)562-2999
14. **Richlands Small Business Incubator**
Phone: (540)889-1778
www.vabiotech.com
15. **Alleghany Highlands Business Incubator**
Phone: (540)962-7200
16. **VA Biotech Research Incubator**
Phone: (804)828-7048
www.vabiotech.com
17. **Highlands Ctr-Highland Co.**
Phone: (540)468-1922
18. **Fairfax County eIncubator**
Phone: (703)845-8500
www.eincubator.net
19. **Jacksonville Ctr./Floyd**
Phone: (540)639-9313
20. **Martinsville Small Business Incubator**
Phone: (540)656-5180

**MEXICO**

Aiming to increase international business opportunities for minorities, Frank Ramos, VDMBE's Chief Deputy Director, accompanied Honorable Donald Upson, Secretary of Technology, on a July 2001 mission to Guanajuato, (GTO) Mexico. The purpose of the mission was to share Commonwealth of Virginia information technology initiatives with GTO, and provide critical technology resources available to Commonwealth of Virginia companies that want to explore business opportunities in GTO.

Located in the heartland of Mexico's emerging market, Guanajuato (GTO) offers a strategic location for trade and investment, and is one of the main suppliers to the U.S. of leather products, fresh and frozen foods, auto-parts and other commodities.

Mr. Ramos says one primary outcome of the mission is that VDMBE plans to encourage joint-venturing opportunities between its roster of certified firms and prospective business sources in GTO. For regular updates on projects and programs evolving from the July 2001 Mexico Trade Mission, e-mail: dmbe@dmbe.state.va.us

CHINA

The Hong Kong Trade Development Council and Invest Hong Kong have recently published a book, *First Choice Hong Kong*, which highlights China's growing economy and many business opportunities. Allegra McCullough, director of the VDMBE, says the department is planning a formal briefing with the Council on trade opportunities for minority and women-owned businesses. Anyone interested in obtaining a free copy of First Choice Hong Kong can visit website address: **firstchoicehongkong.gov.hk**. For businesses interested in updates on the particulars for the formal briefing for trade opportunities with Hong Kong, e-mail: dmbe@dmbe.state.va.us

"Our history and our diversity should not build a wall of division between us, but a bond of unity among us. We must look at ourselves as Virginians – a people accepting of the past, tolerant of diversity and guided by an unbridled determination to be a beacon of hope and opportunity for all of humanity."

Governor Jim Gilmore